Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Message Text

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PAGE 01 SOFIA 02448 011259Z
ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03
INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03
SP-02 LAB-04 SIL-01 OMB-01 DODE-00 PM-05 H-01
L-03 NSC-05 PA-01 PRS-01 SS-15 /086 W
----------019434 011853Z /44
R 011217Z DEC 77
FM AMEMBASSY SOFIA
TO SECSTATE WASHDC 3867
INFO AMEMBASSY BONN
AMCONSUL FRANKFURT

C O N F I D E N T I A L SOFIA 2448

E.O. 11652: GDS
TAGS: EFIN, BU
SUBJECT: BULGARIA'S LATEST EUROBORROWING

REF: FRANKFURT 8431

1. FURTHER TO BULGARIA'S LATEST EUROBORROWING, BEING SYNDICATED BY CITICORP INTERNATIONAL, VISITING AMERICAN BANKER TOLD E/C OFFICER THAT BULGARIANS HAD DISCUSSED SYNDICATION WITH THREE OTHER MAJOR BANKS, INCLUDING AMERICAN EXPRESS AND BANK OF AMERICA, BEFORE REACHING AGREEMENT WITH CITICORP. THESE BANKS DECIDED NOT TO MANAGE LOAN, ACCORDING TO BANKER, BECAUSE BULGARIANS WERE TOO INFLEXIBLE AND DEMANDING AND BULGARIA'S CURRENT DEBT STRUCTURE DID NOT WARRANT THE TERMS AND CONDITIONS BEING INSISTED UPON. HE SAID AMERICAN EXPRESS BECAME SO TURNED OFF BY BULGARIA'S TAKE-IT-OR-LEAVE-IT ATTITUDE THAT THEY ABRUPTLY DROPPED NEGOTIATIONS.

2. COMMENT: BANKING COMMUNITY WELL AWARE OF BULGARIA'S HEAVY DEBT, BUT EXCESS LIQUIDITY AND AGGRESSIVE EFFORTS TO COURT BULGARIA (AND REST OF EES AS FAR AS WE CAN SEE) COUPLED WITH THE OFTEN EXPRESSED HOPE SOVIETS WOULD NOT PERMIT GOB TO DEFAULT ON FINANCIAL OBLIGATIONS PUTS GOB IN STRONG NEGOTIATING POSITION.
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AS LONG AS INTERNATIONAL FINANCIAL INSTITUTIONS REMAIN HIGHLY LIQUID, BULGARIA CAN EXPECT TO CONTINUE TO BE SUCCESSFUL IN FINDING LENDERS AMENABLE TO ITS TERMS.
GARTHOFF

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NNN

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Message Attributes

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Sent Date: 01-Dec-1977 12:00:00 am
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Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
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